

EXHIBIT B



Remarks at the Palestinian Donors Conference

Secretary Condoleezza Rice
Paris, France
December 17, 2007

I am very pleased to be here in Paris today. I would like to thank President Sarkozy for hosting this important conference, and I would like to thank the co-chairs of this event: our friends from Norway, the European Commission, and Former Prime Minister Blair, the Quartet's Special Representative. All of you have been steadfast and supportive partners of the Palestinian people. Thank you very much.

Let me also recognize the presence here of Palestinian President Mahmoud Abbas and Prime Minister Salam Fayyad. As I have said before, the international community is grateful to have leaders of your caliber, your experience, and your talent, representing and working on behalf of the Palestinian people.

I am also pleased that Foreign Minister Livni and her colleagues from Israel are here with us today.

We now have a real opportunity to make progress toward the goal of two democratic states living side by side in peace and security. Last month, the international community answered President Bush's call to meet in Annapolis. There, with full international support, President Abbas and Prime Minister Olmert agreed to immediately implement the Roadmap. They also inaugurated negotiations on all of the core issues of the conflict. Both parties have created negotiating teams, and they are now beginning to carry out serious negotiations.

For these efforts to succeed, the continued and unwavering support of the international community is absolutely vital. That is why we are here today, and not a moment too soon. The Palestinian Authority is experiencing a serious budgetary crisis. This conference is literally the government's last hope to avoid bankruptcy.

The vitality of the Palestinian Authority and the success of the Palestinian people are in the interest of all who seek peace, and security, and a two-state solution in the Middle East. Now is the time for the international community to make good on its promises of support for these goals, and for the Palestinians who share them.

Prime Minister Fayyad has created the Palestinian Reform and Development Plan – an ambitious but realistic plan to improve life for his fellow citizens, and to lay the foundations of a successful, responsible state. This is a good and responsible plan. It balances the immediate budgetary needs of the Palestinian Authority with the reforms and development assistance needed to build a future state, and expands economic opportunities for all Palestinians.

We are here today to support the Palestinian Authority's plan with real offers of tangible assistance. So on behalf of the United States, I am proud to pledge \$555 million to support the Palestinian Authority and the Palestinian people in the coming year, including \$150 million in budget support. This is a significant increase in our assistance from last year, and I hope that other donors will follow suit today by providing a substantial increase from their previous support.

Our planned contribution is subject to the approval of our Congress, and it includes support for projects directly linked to the development and security sector reform efforts that are identified in the Palestinian Reform and Development Plan. We also plan to continue our annual support for the UN Relief and Works Agency, because we are committed to helping meet the needs of the most vulnerable Palestinians.

We also recognize the need to support Palestinian efforts to develop private sector projects that can create jobs and hope. We appreciate and fully support Quartet Special Representative Tony Blair's efforts on this front, and we are developing a new initiative of our own.

Earlier this month, President Bush announced a partnership with the U.S. private sector to support Prime Minister's Fayyad's ambitious development agenda, and to complement Mr. Blair's work. We now have a real opportunity to spur private investment and create jobs, especially for Palestinian youth, and I encourage all of you to invite your business communities to look for ways to support the Palestinian's development and economic growth efforts.

Ladies and Gentlemen: This is the most promising opportunity to seek peace that we have had in nearly seven years. And we need to seize it. We need to support both parties in their efforts to end the conflict and to make peace. Words and promises of support are helpful, but that alone is insufficient. Progress requires action, and it requires tangible financial assistance for Prime Minister Fayyad's government. I hope that we will meet that goal today.

Palestinians have waited too long for the dignity that will come with a state of their own. Israelis have waited too long for the security and for an end to the conflict that will come with a responsible, democratic neighbor. We have all waited too long for peace and security in the Middle East. And we should wait no longer. Thank you very much.

2007/T20-2

Released on December 17, 2007

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